

REPORT

DATE: July 6, 2006
TO: Administrative Committee and Regional Council
FROM: Keith Killough, Director, Information Services Department
SUBJECT: Approval of Revised Cost Recovery Policy

EXECUTIVE DIRECTOR'S APPROVAL:

RECOMMENDED ACTION:

The Audit & Best Practices Committee recommends that the Regional Council approve the recommended revisions to the existing cost recovery policy as attached.

SUMMARY:

The Audit Committee approved the revised Cost Recovery Policy on June 8, 2006. The policy allows for annual reviews to determine the effectiveness of the policy. Based on the number of data requests and requesters, the Data and Monitoring staff with assistance from the Modeling staff, have recommended some changes to the policy to better serve our member jurisdictions as well as other institutions left out of the original policy.

BACKGROUND:

The following is a summary of the recommended revisions to the existing policy.

1. Staff recommends that step 2 from the current policy be removed. The recommendation to remove step 2 from the policy is based on the number of requests and hours spent by SCAG staff on data requests from local agencies. The majority of the requests fell under the 20 hours for routine services as it is outlined in the policy.
2. Staff recommends changes to the language in the current policy to better handle data requests from entities not covered in the policy.
3. Staff recommends that a monthly report be provided to the ISD Director as well as the Subregional Coordinators of all requests performed and hours spent by SCAG staff for member jurisdictions during that particular month.

FISCAL IMPACT:

At this time, we do not expect any additional expenditure of funds exceeding those currently being spent on these services.

Cost Recovery Policy

Background

SCAG staff was asked by the Audit Committee some time ago to develop a policy regarding services performed for a fee. This request resulted from an audit finding regarding fees for service and lack of a policy to address these occurrences. The intent of the policy is to address requests by various parties to provide data, enhanced data, planning, and programming services. Such requests often require additional data processing and analysis above and beyond that information prepared for SCAG's specific needs related to the RTP and TIP. This policy doesn't apply to situations such as general information exchange, presentations, and subregional liaison assistance.

SCAG members are defined in SCAG's bylaws and there are 14 subregions consisting of: IVAG, OCCOG, WRCOG, CVAG, SANBAG, VCOG, Westside Cities, South Bay Cities COG, SGVCOG, North Los Angeles, City of Los Angeles, LVMCOG, Gateway Cities COG, and Arroyo Verdugo Cities COG.

The hours for routine services were determined by reviewing the previous two years of historical requests to determine the maximum time that could be associated with one SCAG member. This resulted in the 20 hours that is specified below. This policy will guide staff as it considers such requests and will ensure consistency is applied to all of our planning partners.

Purpose

The purpose of this policy is to establish guidelines on how SCAG staff can respond to request for services from various parties with the following objectives:

- Responsiveness to SCAG members and subregions
- Adequate resources for existing work plan projects
- Addressing concerns of SCAG's funding partners

Policy

1. SCAG will offer routine services (20 hours of staff time or less per entity) to our members and subregions during each fiscal year. If a request is made by a non-member, e.g. consultant, who is doing work for a member or subregion, that request must be accompanied by a formal request from the member or subregion for which the consultant is working.
 - The request must be signed by the entity's executive director or planning director.
 - The Information Services Department (ISD) will track all requests.
 - When a request has been fulfilled, the requesting entity will be notified of the work accomplished and the number of hours spent working on the request.

This provision is not to supercede any individual contractual relationships currently in place. SCAG reserves the right to deny any request if resources are not currently available.

2. Services will not be provided to non-SCAG members/ subregions, except in the case of other state or regional organizations, e.g. Metropolitan Water District. Procedures for routine and large requests as identified in paragraphs 1 and 3 apply. These requests would only be done upon review and approval by the ISD Director.

The following entities are not covered under the current policy. Requests from the agencies listed below must be consistent with and contribute towards SCAG business purposes. ISD staff will conduct an analysis of requests from these agencies to determine the appropriateness of the request and the level of resources required to fulfill the request. The information will be considered by the ISD Director before the work is authorized. Requests from these entities having significant time and work schedule implications that exceed normal SCAG business purposes will be submitted to the Regional Council for approval before the work proceeds.

- Political representatives
 - Universities / Educational Institutions
 - Non-profit organizations
 - Any other government agency
3. Any requests that would exceed the 20 hours described above would be required to be funded by the member or subregion making the request. These requests must be made in writing and approved by the ISD Director. Availability of resources will be a determinant in accepting the work. If this work is accepted, SCAG must amend the Comprehensive Budget to reflect this work and funding source. These projects would be charged with actual SCAG labor, fringe, indirect, and direct costs. SCAG will provide the requestor an estimate for the cost of the work and number of hours required to complete the work.

ISD staff will provide a monthly report to the ISD Director of all requests performed and hours spent by SCAG staff. A similar report will also be provided to the Subregional Coordinators.

This policy will be reviewed annually to analyze its effectiveness.

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2. Beginning with the 2005/2006 OWP, a task will be established under various projects for "Coordination with local agencies for data and modeling". Actual time spent by SCAG staff performing these functions will be charged to those tasks in the OWP as well as fringe, indirect, and direct costs.
3. Services will not be provided to non-SCAG members/ subregions, except in the case of other state or regional organizations, e.g. Metropolitan Water District. Procedures for routine and large requests as identified in paragraphs 1 and 4 apply. These requests would only be done upon review and approval by the ISD Director.
4. Any requests that would exceed the 20 hours described above would be required to be funded by the member or subregion making the request. These requests must be made in writing and approved by the ISD Director. Availability of resources will be a determinate in accepting the work. If this work is accepted, SCAG must amend the Comprehensive Budget to reflect this work and funding source. These projects would be charged with actual SCAG labor, fringe, indirect, and direct costs. SCAG will provide the requestor an estimate for the cost of the work and number of hours required to complete the work.

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